



August 2002



# SCHOOL FINANCE UPDATE

*A Monthly Newsletter Published by the School Budgeting and Accounting Division*

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Linda McCulloch, State Superintendent

## Welcome to the 2002- 03 school year!!

This newsletter is emailed to school districts each month. The newsletter is intended to reach all district staff involved in budgeting, accounting, enrollment, special education funding, and federal programs. Please forward this newsletter to all interested parties. Got suggestions for items to include here? We'd love to hear from you!

## Technology Timber Payments for FY 2002-03

Due to recent legislative changes, the state will not be distributing State Technology Grants (revenue code 3281) for FY 2002-03 or FY 2003-04.

## Flexibility Funding Cut for FY 2002-03

The amount distributed to schools has been reduced from \$5.083 million to \$4.1 million. However, the legislature appropriated \$200,000 for the statewide student assessment. Therefore, schools will not incur this \$200,000 cost. When the \$983,000 reduction in flex fund payments is combined with the \$200,000 cost savings, the combined impact is a \$783,000 reduction in funding for school operations.

[\[Click here for "Updated Flex Fund Estimates" for FY03\]](#)

## Reminder To Grant Prime Applicants

Generally, federal and state grants awarded to school districts, cooperatives and consortia may not be passed through to member school districts or other subrecipients. The prime applicant must receive the grant and spend it directly for project expenditures.

IDEA Part B and Preschool are the only OPI grants that allow the prime applicant to pass

through funds to subrecipients (Grants Handbook, Section 700-4). OPI Contact: Joan Anderson, (406) 444-1960 or [janderson@state.mt.us](mailto:janderson@state.mt.us).

## New Coding System for Federal and State Grants – FY 2003-04

On August 5, 2002, OPI sent an email notifying you about a change in the revenue and expenditure program codes that is effective for grants in FY 2003-04.

The new system uses the first three digits of the revenue number as the expenditure program number. For example:

Grant: Title I Part A Improving Basic Programs  
Revenue Code: 4200  
Expenditure Program Code: 420

Grant: IDEA Part B  
Revenue Code: 4560  
Expenditure Program Code: 456

OPI staff discussed the proposed coding system at the 2002 Budgeting and Accounting Workshops held in July this year. Feedback has been very positive.

The new numbering system will be optional for FY 2002-03 and required in FY 2003-04. Click here for a full list of ["New Codes for FY2002"](#).

OPI Contact: Jim Oberembt at (406) 444-1257 or [joberembt@state.mt.us](mailto:joberembt@state.mt.us).

## **ALERT -- Form for Changes in Taxable Valuation**

In August 2002, the Department of Revenue (DOR) will issue a form called "Taxing Jurisdiction Change in Valuation". DOR's assessors use the form to show the change in the taxable valuation amount previously reported to the district as of July 10. DOR said that changes, if any, should have been issued by August 16.

On the FY2002-03 budget, districts would normally use the taxable valuation on the original July 10 Certification of Taxable Value. However, if the district receives a notice of a change in valuation, the district can sign and return the "Taxing Jurisdiction Change in Valuation" form to DOR and DOR will reissue taxable valuation information to the district. The district can then use the revised taxable valuation on the FY2002-03 budget.

See the example attached to this memo and note the instructions added by OPI for requesting re-certification of taxable value. OPI Contact: Tal Redpath, (406) 444-3024 or [redpath@state.mt.us](mailto:redpath@state.mt.us)

## **OPI Staffing Changes**

Nancy Hall, who previously acted as Fiscal Education Specialist, will now be assisting Bonnie Maze in making state payments, including Direct State Aid, State Special Ed Funding, GTB, etc. Nancy will also be providing technical assistance for budgeting. You can reach Nancy at [nhall@state.mt.us](mailto:nhall@state.mt.us) or 444-9852.

**We'd appreciate  
your efforts to  
submit your Final  
Budget and  
Trustees' Financial  
Summary (TFS)  
to OPI  
by Sept. 9th**

## **October 7 Enrollment Count – Forms and MAEFAIRS**

OPI will send an email to notify MAEFAIRS Registered Users that the MAEFAIRS system is open for Fall Enrollment during the last week in September. Paper filers will receive forms by mail by October 7. Contact Tal Redpath at [redpath@state.mt.us](mailto:redpath@state.mt.us) or 444-3024 if you have questions.



## **"Homebound" for ANB?**

In preparing the October 7 Fall enrollment count, be aware that students meeting the criteria of "homebound" under ARM 10.20.102(8) and 10.15.101 can be counted as enrolled for ANB purposes.

## **"Variances" for ANB?**

Variances to count students who do not meet Homebound Student criteria but who are receiving educational services must be submitted to OPI for approval before the count date (ARM10.20.102(9)). Contact Tal Redpath at [redpath@state.mt.us](mailto:redpath@state.mt.us) or 444-3024 if you have questions.

## **OPI Bus Mileage Reimbursement -- Miles Actually "Traveled"**

When planning bus routes for FY 2002-03, please remember—Buses must travel on routes as approved by the county transportation committee. Shortening routes unofficially to accommodate absences may result in overpayment of state and county funding, requiring refunds.

MCA 20-10-141, section (1) states, in part, "All bus miles traveled on bus routes approved by the county transportation committee are reimbursable." Buses that deviate from approved routes might run fewer miles than were approved. Unless actually traveled, bus mileage is not reimbursable and must not be

claimed on the district's semi-annual transportation claims (TR-5 and TR-6).

Some districts feel the need to shorten routes when students are absent due to illness or during sports seasons when practices are held after school. Officially establishing shortened routes will allow your district the flexibility it needs. If you feel there is a significant need in your district to shorten routes for those types of circumstances, **establish routes for FY 2002-03 that accommodate a shorter and longer version of the original route.**

#### HERE'S AN EXAMPLE:

1. Assume most kids on the route live within 16 miles of the school. The bus route is 20 miles each way. All students ride the bus in the morning. Going home, all but one student de-board the bus by the 16 mile stop. Cindy is the only student beyond 16 miles. Her stop is the end of the route at 20 miles from the school. Cindy plays basketball and volleyball, so she participates in practices after school on many days of the school year and does not ride the bus home. Instead of Route 1 (40 miles round trip), the district should establish Route 1A (20 + 16 = 36 miles round trip) and Route 1B (40 miles round trip)



2. Submit separate TR-1 Bus Route Forms for each route (1A, 1B) for County Transportation Committee approval.

3. Drivers log the number of days each route is run. On days Cindy is at practice, the bus driver runs Route 1A. On days when Cindy rides home, the driver logs Route 1B.

4. The clerk reports days traveled on each route on the semi-annual transportation claims (TR-6).

5. OPI calculates the miles traveled and reimburses the district for each semester.

NOTE: If the district develops a need to shorten a route mid-year, the same process should be used.

OPI recognizes the difficulties school districts encounter in trying to efficiently run routes and accommodate daily routing needs. However, state law restricts OPI's payment for miles actually traveled. We will continue to consider options, such as legislative change, that might offer increased flexibility for schools while retaining fiscal accountability for the state payments. By strictly adhering to bus routes as approved, the district will also avoid potential liability issues related to safety pitfalls when buses operate other than in areas and at times approved by the County Transportation Committee.

Need more information? Contact Maxine Mougeot at (406) 444-3096 or [mmougeot@state.mt.us](mailto:mmougeot@state.mt.us).

### **School Block Grants - HB 124**

In December 2002, OPI will distribute 70% of the School Block Grant (revenue code 3444) to each eligible district. Payment amounts will be about 97.4% of the block grant received in FY 2001-02.

OPI will also pay counties 50% of the County Transportation Block Grant and 50% of the County Retirement Block Grant in December. Annual payment amounts for counties were set in legislation and are posted on the OPI website [\[Click here for "Revised HB124 Block Grant Amounts"\]](#). Contact Bonnie Maze at (406) 444-3249 or [bmaze@state.mt.us](mailto:bmaze@state.mt.us) for more information.

### **School Funding Adequacy Study Report Released**

Augenblick & Myers completed their school funding adequacy study for the Montana School Boards Association, Montana Quality Education Coalition, Montana Rural Education Association, Montana Association of School Business Officials, and Montana Association of County School Superintendents. They presented their findings on August 2, 2002, in Helena.

To view the full report, executive summary, or presentation outline, go to this link on the Montana School Boards Association (MSBA) site:  
<http://www.mtsba.org/study/Studyreleasepage.htm>

**Missed the July 2002 Budget and Accounting Workshops?**

Contact OPI for a copy of the handouts: Denise Ulberg, (406) 444-0783 or [dulberg@state.mt.us](mailto:dulberg@state.mt.us).

**School Finance Forms and Publications on Internet**



Need an attendance agreement /tuition form? Transportation forms? Elections calendar? General information about school budgeting and accounting? See the School Finance area of the OPI website for

forms and publications at <http://www.opi.state.mt.us/schoolfinance/forms.html>

Let us know if you are looking for a particular form, and we'll do our best to provide it electronically!

School Districts will receive this document in July.



SAMPLE

MONTANA  
Form TaxVal  
Rev. 8-02

**2002 Certified Taxable Valuation Information**  
(Pursuant to 15-10-202, MCA)

County of Lewis & Clark

Taxing Jurisdiction School District No. 99

1. 2002 Total Market Value..... \$ 263,164,277
2. 2002 Total Taxable Value..... \$ 9,681,735
3. 2002 Taxable Value of Newly Taxable and Eliminated Property.. \$ 218,339 \*
- a) Newly Taxable Property as identified in Tax Policy  
and Research spreadsheet..... \$ 202,100
- b) 2002 Taxable Value of Eliminated Property ..... \$ 16,239
4. 2002 Taxable Value of Net and Gross Proceeds..... \$ -0-  
(Class 1 and Class 2 properties)

Preparer Johnny Tax Assessor Date 7/8/02

\*Note: This is the value to be used by local governments in calculating the mill levy per 15-10-420. It is the sum of Item (a) and Item (b).

**For Information Purposes Only**

2002 Taxable Value of Centrally Assessed Property having a market value of \$1 million or more, which has transferred to a different ownership. In compliance with 15-10-202(2).

\$ -0-

Use this for the taxable value on  
your FY2002-03 budget.

440

School Districts will receive this document in August.



SAMPLE

MONTANA  
Form AB-72  
Rev. 8-02

**Taxing Jurisdiction Change in Valuation**

However, if you want  
your budget's taxable  
value to reflect this  
change in value, then  
follow Dept. of  
Revenue instructions

Date: August 16, 2002

To: Taxing Jurisdiction School District No. 99

County Lewis & Clark

Re: Change in valuation for the 2002 tax year

The change in value for this taxing jurisdiction is (+ or -) \$ +33,136  
in taxable value.

The above information indicates how much the valuation has changed in the above listed taxing jurisdiction. This change has occurred since the valuation in that jurisdiction was placed on the tax roll on the second Monday in July. If you have questions, please contact Johnny Tax Assessor at (406) 123-4567.

If you believe this valuation change may have an impact on your revenue collections, complete the "Request for Re-certification of Taxable Valuation" (below the solid horizontal line), and submit the form to the Department of Revenue employee whose name you see on the "Prepared by" line. If you do not request a re-certification of taxable value, the law provides for the use of the original taxable value we provided on the second Monday in July.

Prepared by Johnny Tax Assessor on August 16, 2002  
Department of Revenue

**Request for Re-certification of Taxable Valuation**

☐ Based on the valuation change shown above, I, the undersigned hereby request the Department of Revenue to re-certify the taxable valuation for this taxing jurisdiction.

Signature of Taxing Jurisdiction Official

Date

438